

Message Text

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12

ACTION EUR-12

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03

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CIEP-01 LAB-04 SIL-01 OMB-01 AF-06 FEA-01 DODE-00

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TO SECSTATE WASHDC 6366

INFO USMISSION EC BRUSSELS

AMEMBASSY MADRID

AMCONSUL OPORTO

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E.O. 11652: N/A

TAGS: EGEN, EINV, ENRG, PO

SUBJ: GOP AMALGAMATES NATIONALIZED OIL/GAS COMPANIES

REF: LISBON 1593 (NOTAL)

1. COUNCIL OF MINISTERS MARCH 12 APPROVED AMALGAMATION OF THE FOUR NATIONALIZED, PORTUGUESE-OWNED PETROLEUM AND GAS COMPANIES INTO NEW PUBLIC ENTERPRISE CALLED PETROGAL-PETROLEOS DE PORTUGAL, E.P. (EMPRESA PUBLICA). COMPANIES INVOLVED ARE: SACOR, WHICH HAS REFINERIES IN OPORTO AND CABO RUIVO (NEAR LISBON), AND NETWORK OF SERVICE STATIONS; SONAP, WHICH HAS SERVICE STATION NETWORK; PETROSUL, WHICH IS BUILDING REFINERY AT SINES; AND CIDLA, WHICH DISTRIBUTES BOTTLED GAS. DISTRIBUTION SYSTEMS OWNED BY FOREIGN OIL COMPANIES UNAFFECTED.

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2. STATUTES APPROVED ESTABLISH MANAGEMENT BOARD, WITH

MAXIMUM OF SEVEN MEMBERS, NOMINATED BY MINISTER OF INDUSTRY AND TECHNOLOGY. THREE-MAN AUDIT BOARD INCLUDES ONE MEMBER NAMED BY WORKERS.

3. COMMENT:

A. IN MARKED CONTRAST TO RECENT AMALGAMATION OF NATIONALIZED CEMENT COMPANIES (REFTEL), GOP COMMUNIQUE ON PETROGAL MADE NO REFERENCE TO WORKER PARTICIPATION OR INTERVENTION IN MANAGEMENT. REASON FOR THIS DIFFERENCE, WHICH MAY EVOKE STRONG WORKER OPPOSITION, IS NOT CLEAR.

B. AMONG COMPONENT COMPANIES OF PETROGAL, ONLY SONAP MADE SLIGHT PROFIT IN 1975. BOTH SACOR AND CIDLA SUFFERED HEAVY LOSSES. FINANCIAL PROBLEMS WILL UNDOUBTEDLY BE AGGRAVATED BY CONTINUED UNDER-UTILIZATION OF REFINERY CAPACITY AND BY CURRENT LABOR STRIFE. PARTIAL STRIKES OVER JOB CLASSIFICATION ISSUES CONTINUE AT OPORTO SACOR REFINERY AND AMONG TANK-TRUCK DRIVERS.
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Message Attributes

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